

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: JACK KAUZLARICH, Complainant, v. MIDAMERICAN ENERGY COMPANY, Respondent.	DOCKET NO. C-99-436
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ORDER DENYING REQUEST FOR FORMAL COMPLAINT PROCEEDINGS

(Issued February 24, 2000)

On November 4, 1999, Jack Kauzlarich filed with the Utilities Board (Board) a written complaint against MidAmerican Energy Company (MidAmerican) regarding the transfer of unpaid utility balances to active accounts. Mr. Kauzlarich owns a number of residential rental properties but keeps the gas and electric accounts in his name rather than having tenants establish service in their names. Electric and gas service to several of Mr. Kauzlarich's properties was disconnected for nonpayment and MidAmerican transferred the unpaid balances to his three active accounts. Mr. Kauzlarich claims the unpaid balances should not have been transferred to his active accounts.

MidAmerican formally responded to the complaint on November 30, 1999, and provided a detailed explanation of the balance transfers. The Consumer Advocate

Division of the Department of Justice (Consumer Advocate) submitted a letter on December 6, 1999, questioning whether service to one property had been disconnected because of a disputed bill. Additional information was provided by MidAmerican on December 21, 1999. The information showed that service at the property in question, 1433 5th Avenue, Des Moines, Iowa, was disconnected because Mr. Kauzlarich defaulted on a payment agreement.

On December 28, 1999, the Consumer Services Section issued a proposed resolution that found the transfer of unpaid balances to the three remaining accounts was proper. The proposed resolution also found that the disconnection at 1433 5th Avenue was done pursuant to the Board's rules. Rules 199 IAC 19.4(15) and 20.4(15) protect a customer from disconnection during the pendency of a billing dispute only if the customer continues to pay undisputed portions of the bill. The proposed resolution found service was disconnected because Mr. Kauzlarich defaulted on a payment agreement for the undisputed portion of the bill. Mr. Kauzlarich was dissatisfied with the proposed resolution and filed a request for formal complaint proceedings on January 12, 2000.

Iowa Code § 476.3(1) (1999) provides, in part, that following informal complaint proceedings, "[t]he complainant or the public utility also may petition the board to initiate a formal proceeding which petition shall be granted if the board determines that there is any reasonable ground for investigating the complaint." This is the standard the Board applies to requests for formal complaint proceedings.

All documents contained in the file of an informal complaint proceeding are part of the record. 199 IAC 6.7. Thus, in determining whether there is any reasonable ground for instituting formal complaint proceedings, the Board reviews the entire file.

Mr. Kauzlarich apparently at various times during the period in dispute had eight accounts with MidAmerican. Service related to five of the accounts was disconnected and outstanding balances transferred to the three active accounts. A review of the information indicates delinquent gas accounts were properly transferred to open gas accounts and delinquent electric accounts were properly transferred to open electric accounts. All of the accounts were for residential rental properties and delinquent accounts were transferred to open accounts with the same rate code. 199 IAC 19.4(16)"c" and 20.4(16)"c."

Finally, the file indicates disconnection of service at 1433 5th Avenue was proper. Disconnection occurred because Mr. Kauzlarich defaulted on a payment agreement for the undisputed portion of the bill, not because there was a payment dispute on other accounts. There is no reasonable ground for investigating any aspects of this complaint further and, therefore, the request for formal complaint proceedings will be denied.

IT IS THEREFORE ORDERED:

The request for formal complaint proceedings filed by Jack Kauzlarich on January 12, 2000, is denied.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper
Executive Secretary, Deputy

/s/ Diane Munns

Dated at Des Moines, Iowa, this 24th day of February, 2000.